

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF B & H GAS COMPANY)	
FOR AUTHORITY TO ADJUST RATES)	CASE NO.
IN ACCORDANCE WITH THE PURCHASED)	8135-A
GAS ADJUSTMENT PROCEDURE)	

O R D E R

On June 17, 1981, the Commission issued its Order in Case No. 8135, approving a purchased gas adjustment clause and providing under certain conditions for the further adjustment of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On August 13, 1981, B & H Gas Company ("B & H") notified the Commission that it had received an increase from one of its suppliers S. J. Bradley and Son ("Bradley") effective September 1, 1981.

B & H's filing of August 13, 1981, was found to be incomplete and additional information was filed on September 24, 1981. B & H in its filings of August 13, 1981, and September 24, 1981, proposed to pass on to its customers an increase of \$.3020 per Mcf on \$9,348 annually due to Bradley increasing its wholesale price of gas from \$.47 per Mcf to \$.80 per Mcf.

After reviewing this information of record it was determined that additional information was required and B & H filed a revised notice on November 16, 1981.

The notice of November 16, 1981, stated that Stanville Transmission Company ("Stanville") was a successor to Bradley and new wholesale rates were filed. In a contract filed with B & H's notice of November 16, 1981, Stanville agreed to sell gas to B & H at \$3.23 per Mcf which is an increase of \$2.5259 per Mcf.

After reviewing the filing of information of record, the Commission is of the opinion that a hearing is necessary to determine the appropriateness of the proposed purchased gas adjustment. In particular, the Commission is seeking information concerning the transactions which have resulted in B & H changing its requested increase from 33 cents to \$2.5259 per Mcf.

IT IS ORDERED that the above case be and hereby is set for hearing on December 21, 1981, at 1 P.M., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky, for the purpose of cross-examining witnesses of B & H and other parties involved in transactions associated with the purchase gas increase.

IT IS FURTHER ORDERED that B & H shall provide notice to its customers of the hearing and its subject matter by publication of a notice in a newspaper of general

circulation in the areas affected at least one week prior to the date of the scheduled hearing.

IT IS FURTHER ORDERED That B & H shall charge the presently authorized rates as approved in Case No. 6090 and set out in its tariffs.

IT IS FURTHER ORDERED That B & H shall not disconnect or discontinue service to any customer that pays their gas bill in accordance with the rates approved in Case No. 6090 dated February 18, 1975.

Done at Frankfort, Kentucky, this 7th day of December, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary